

1 **BEFORE THE ARIZONA CORPORATION COMMISSION**

2 CARL J. KUNASEK

Chairman

3 JIM IRVIN

Commissioner

4 WILLIAM A. MUNDELL

Commissioner

5 In the matter of)

6 RICKIE OWEN TROXEL, individually and d/b/a)

7 COLUMBUS FINANCIAL GROUP)

8390 Via de Ventura, Suite #F110)

8 Scottsdale, Arizona 85258)

CRD 1266232)

9 Respondents.)

DOCKET NO. S-03341A-99-0000

DECISION NO. _____

**ORDER FOR RELIEF AND
CONSENT TO SAME**

11 **I.**

12 RICKIE OWEN TROXEL, individually and doing business as COLUMBUS FINANCIAL
13 GROUP (hereinafter "Troxel"), elects to permanently waive his right to a hearing and appeal under
14 Articles 11 and 12 of the Securities Act of Arizona (the Act) with respect to this Order for Relief and
15 Consent to Same (Order); admits the jurisdiction of the Arizona Corporation Commission (Commission);
16 neither admits nor denies the Findings of Fact and Conclusions of Law contained in this Order; and
17 consents to entry of this Order by the Commission.

18 **II.**

19 **FINDINGS OF FACT**

20 1. Troxel, whose last known address is 7007 N. Via de la Compana, Scottsdale, Arizona,
21 85258, doing business as Columbus, located at 8390 Via de Ventura, Suite #F110, Scottsdale, Arizona
22 85258, was registered in the State of Arizona as a securities salesman at all relevant times until
23 September 15, 1998. Troxel did not renew his registration in 1999 and is therefore no longer registered.

24 2. In or around October or November of 1996, while employed by Multi-Financial
25 Securities Corporation as a registered securities salesman in Arizona, Troxel received \$17,000 from
26 Barbara Weatherman, a resident of Phoenix, Arizona, for the purpose of financing his investment

1 advisory business. Ms. Weatherman cashed out her only investment asset, a Keyport Life annuity in an
2 IRA account valued at about \$18,000, in order to invest in Troxel's business, based upon his
3 representation that she could earn a higher profit. Troxel prepared and gave Ms. Weatherman a
4 document entitled "SANTA MARIA INVESTMENTS, INC. 6% Convertible Subordinated Debenture
5 Due November 1, 1997." Troxel signed the document as "President-Secretary of Santa Maria
6 Investments, Inc.," "incorporated under the Laws of the State of Arizona." The document "certified"
7 that Ms. Weatherman "is the owner of: \$17,000.00 bond with the option to convert to 170 shares of full
8 paid and non-assessable \$1.00 par value common shares of Santa Maria Investments, Inc. after
9 November 1, 1997."

10 3. Santa Maria Investments, Inc. is not an Arizona corporation and has never been
11 incorporated under the laws of the State of Arizona. In fact, according to Troxel, the bond was merely a
12 document he prepared as an evidence of indebtedness to Ms. Weatherman for the funds that she
13 invested in his financial advisory business.

14 4. In or around March 1998, Troxel agreed to pay Ms. Weatherman a total of \$26,000,
15 pursuant to a Settlement Agreement and Release that he negotiated with her to repay his obligation on
16 the purported investment in Santa Maria Investments, Inc.

17 5. In March 1998, while employed with Investors Brokerage Services, Inc. as a registered
18 securities salesman in Arizona, Troxel solicited a purported investment in real estate from a client,
19 Barbara Sturgell, a school teacher at Eloy Junior High School in Eloy, Arizona. Troxel represented that
20 he would use Ms. Sturgell's investment funds to purchase a house in Scottsdale, which he would repair
21 or improve and resell at a later date for a profit. From March 26, 1998 through April 8, 1998, Ms.
22 Sturgell paid Troxel a total of \$15,000.

23 6. From Ms. Sturgell's investment funds, Troxel paid Ms. Weatherman \$10,000, and used
24 \$5,000 for his own personal use. Troxel used none of Ms. Sturgell's investment funds for any real
25 estate investment or any other use for the benefit of Ms. Sturgell.
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7. On September 15, 1998, Troxel was terminated from Investors Brokerage Services, Inc. for failure to pay his settlement obligation to Ms. Weatherman. In February 1999, Ms. Weatherman received a payment of \$15,000.00 from Troxel's prior employer, Multi-Financial Securities Corporation, which sum constituted the balance of the funds owed to her by Troxel pursuant to the Settlement Agreement and Release between Troxel and Ms. Weatherman.

8. On or about May 28, 1999, Troxel entered into a Settlement Agreement with Ms. Sturgell, in which he agreed to pay her the total sum of \$16,000. On or around August 7, 1999, Troxel paid Ms. Sturgell the balance owed pursuant to that Settlement Agreement.

III.

CONCLUSIONS OF LAW

10. Each of the preceding paragraphs is incorporated by reference.

11. From on or about October 1996, Troxel offered and/or sold securities in the form of bonds, evidences of indebtedness, and/or investment contracts, within and/or from Arizona.

12. The securities referred to above were not registered under A.R.S. §§ 44-1871 through 44-1875, or 44-1891 through 44-1902; were not securities for which a notice filing has been made under A.R.S. § 44-3321; were not exempt under A.R.S. §§ 44-1843 or 44-1843.01; were not offered or sold in exempt transactions under A.R.S. § 44-1844; and were not exempt under any rule or order promulgated by the Commission, which constitutes a violation of A.R.S. § 44-1841.

13. In connection with the offers and sales of securities within and/or from Arizona, Troxel directly or indirectly: (i) employed a device, scheme or artifice to defraud; (ii) made untrue statements of material fact or omitted to state material facts which were necessary in order to make the statements made not misleading in light of the circumstances under which they were made; and (iii) engaged in transactions, practices or courses of business which operated or would operate as a fraud or deceit upon offerees and investors. Troxel's conduct includes, but is not limited to, the following, which constitute violations of A.R.S. § 44-1991:

a) misrepresenting the nature of the investments;

- b) misrepresenting the use of the investment funds;
- c) failing to disclose the risks involved in the investments; and
- d) misappropriating or misusing investor funds.

14. Troxel's conduct described above is grounds for an order to cease and desist and an order of restitution pursuant to A.R.S. § 44-2032.

V.

ORDER

THEREFORE, on the basis of the Findings of Fact and Conclusions of Law, the Commission finds that the following Order is appropriate, in the public interest and necessary for the protection of investors.

1. IT IS ORDERED, pursuant to A.R.S. § 44-2032, that Troxel is to permanently cease and desist from violating the Securities Act, pursuant to A.R.S. § 44-2032.

2. IT IS FURTHER ORDERED that Troxel shall provide the Division with an accounting satisfactory to the Division of the source of funds for all restitution payments made to Ms. Sturgell.

3. IT IS FURTHER ORDERED that, pursuant to A.R.S. § 44-2036, Troxel shall pay administrative penalties of \$5,000 together with interest at the statutory rate of ten percent per annum, by cashier's check(s) made payable to the "Arizona State Treasurer" for deposit in the General Fund of Arizona, due and payable within 60 days after the date set forth below. If Troxel fails to fully comply with the penalties terms, including the payment due date, the amount of the administrative penalties will

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1 be increased to \$10,000.

2 4. IT IS FURTHER ORDERED that this decision shall become effective immediately
3 upon the date set forth below.

4 BY ORDER OF THE ARIZONA CORPORATION COMMISSION

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8 CHAIRMAN

COMMISSIONER

COMMISSIONER

9 IN WITNESS WHEREOF, I, Brian C. McNeil, Executive
10 Secretary of the Arizona Corporation Commission, have
11 hereunto set my hand and caused the official seal of the
12 Commission to be affixed at the Capitol, in the City of
13 Phoenix, this ____ day of _____, 1999.

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16 BRIAN C. McNEIL
17 Executive Secretary

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DISSENT

(PTJ)

This document is available in alternative formats by contacting Cynthia Mercurio-Sandoval, ADA Coordinator, voice phone number 602/542-0838, E-mail csandoval@cc.state.az.us.

1 CONSENT BY RICKIE OWEN TROXEL, INDIVIDUALLY AND D/B/A COLUMBUS
2 FINANCIAL GROUP, TO THE ENTRY, BY THE CORPORATION COMMISSION, OF A CEASE
3 AND DESIST ORDER, ORDER OF RESTITUTION AND ORDER ASSESSING
4 ADMINISTRATIVE PENALTIES AND WAIVER OF HEARING

5 1. Respondent, Rickie Owen Troxel, individually and d/b/a Columbus Financial Group
6 (hereinafter collectively referred to as "Troxel"), admits the jurisdiction of the Arizona Corporation
7 Commission ("Commission") over the subject matter of this proceeding, and acknowledges that he has
8 been fully advised of his right to a hearing to present evidence and call witnesses. Troxel knowingly
9 and voluntarily waives all rights to a hearing before the Commission and all other procedures
10 otherwise available under Article 11 of the Securities Act of Arizona (the "Act") and Title 44, The
11 Arizona Administrative Code. Troxel acknowledges that the accompanying Order for Relief and
12 Consent to Same ("Order") constitutes a valid final order duly rendered by the Commission.

13 2. Troxel knowingly and voluntarily waives any right he may have under Article 12 of the
14 Act to judicial review by any court by way of suit, appeal or extraordinary relief resulting from the
15 entry of this Order.

16 3. Troxel acknowledges and agrees that this Order is entered into freely and voluntarily
17 and that no promise was made or coercion used to induce Troxel to enter into it.

18 4. Troxel acknowledges that he has the right to be represented by counsel in this matter
19 and that the Division has encouraged him to review this Order with an attorney.

20 5. Troxel neither admits nor denies the Findings of Fact and Conclusions of Law
21 contained in the Order. Troxel agrees that he shall not challenge their validity in any present or future
22 administrative proceedings before the Commission or any other branch of state government
23 concerning the denial or issuance of any licenses or registration required by the State in order to
24 engage in the practice of any business or profession.

1 6. Troxel consents to the entry of this Order and agrees to be fully bound by its terms and
2 conditions. Troxel further acknowledges that should he fail to comply with any and all provisions of
3 this Order, the Commission may enforce the Order in Superior Court pursuant to A.R.S. § 44-2036(C)
4 or impose additional sanctions and costs and seek other appropriate relief subject to Troxel's right to a
5 hearing pursuant to the Act.

6 7. Troxel further understands that default will render him liable to the Commission for its
7 costs of collection and interest at the maximum legal rate.

8 8. Troxel agrees that, as a part of the settlement reached herein, he will not apply for
9 registration as a securities dealer or salesman, or for licensure as an investment adviser or investment
10 adviser representative, under the Securities Act of Arizona or the Investment Management Act of
11 Arizona, at any time in the future.

12 9. Troxel acknowledges that this Order resolves only alleged administrative violations of
13 the Act and that nothing contained in the Order purports to resolve any other issues which may exist
14 between Troxel and the State. Nothing in the Order shall be construed to restrict or preclude any other
15 agency or officer of the State of Arizona or its subdivisions from initiating other civil or criminal
16 proceedings against Troxel, now or in the future, that may be related to the matter addressed by the
17 Order and the Consent. Nothing in the Order shall be construed to restrict the State's right in a future
18 proceeding to bring an action against Troxel from or related to facts not set forth in the Order.

19 10. Troxel acknowledges that he has been informed and understands that the Commission
20 or its designee, at the Commission's sole and exclusive discretion, may refer or grant access to this
21 matter, or any information or evidence gathered in connection with this matter, to any person or entity
22 having appropriate administrative, civil or criminal jurisdiction. Troxel acknowledges that no

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1 representations regarding the above have been made so as to induce him to enter into this Order,
2 including the fact that no promise or representation has been made by the Commission or its designee
3 or staff with regard to any potential criminal liability or immunity from any potential criminal liability.
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6 _____
RICKIE OWEN TROXEL, individually and
7 d/b/a COLUMBUS FINANCIAL GROUP

8 SUBSCRIBED TO AND SWORN BEFORE me this ____ day of _____,
9 1999, by RICKIE OWEN TROXEL.
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12 NOTARY PUBLIC

13 My Commission Expires:
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